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The Director of Central Intelligence

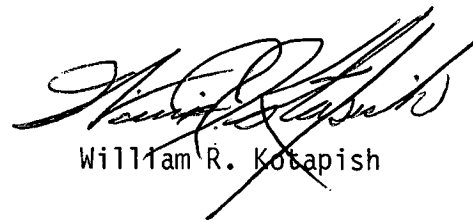
Washington, D.C. 20505

National Intelligence Council

NIC #02066-87  
12 May 1987

MEMORANDUM FOR: Acting Director of Central Intelligence  
THROUGH: National Intelligence Officer for Warning  
FROM: William R. Kotapish  
National Intelligence Officer for Narcotics  
SUBJECT: Report on 23 April 1987 NIO/Narcotics Warning and  
Forecast Meeting

Representatives of the Intelligence Community and appropriate law enforcement representatives met on 23 April 1987 to discuss: Ecuador as either a "spillover" country or a newly established drug entity in its own right; and the dimensions of the drug trade in Peru.

  
William R. Kotapish

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National Intelligence Officer for Narcotics  
Intelligence Coordination and Strategy Meeting

23 April 1987

Ecuador

1. [REDACTED]

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[REDACTED] The presentation emphasized that Ecuador already has the following significant characteristics of a major narcotics player:

- coca cultivation;
- significant movement of precursor chemicals;
- presence of HCL laboratories;
- a nascent narcotics trafficking structure; and
- a money laundering network.

2. Discussion centered on the fact that Ecuador could well become a legitimate haven for Colombian trafficking, before an illegal narcotics infrastructure develops. Evidence continues to show that HCL labs have been proliferating.

3. Some of the conclusions reached during the course of the discussion were the following:

- seizure laws for illegal narcotics and precursor chemicals are nonexistent;
- turf fighting among enforcement officials is increasing;
- the level of corruption among enforcement officials is increasing;
- there has been a shift from an emphasis on eradication to an emphasis on destruction of HCL labs; and
- there is a particular need for a more effective institutional locus for Ecuador's counternarcotics operations.

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4. Finally, it was emphasized that the political turmoil in the country rendered an effective counternarcotics effort impossible. Whether this rather pessimistic projection is likely to change depends on a number of factors, not the least of which is the outcome of prospective elections. Most analysts agreed that it would be advantageous for US Mission personnel to try to get a sense as to where leading opposition candidates stand on the narcotics issue.

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Peru

5. Peru continues as the leading producer of coca leaf for the international cocaine market. Links with Colombian traffickers remain the linchpin of the narcotics structure in the Upper Huallaga Valley where almost all of Peru's coca leaf is cultivated. The Colombian narcotics trafficking infrastructure is viewed by most Peruvians as an infringement on Peruvian sovereignty. The Garcia administration sees the counternarcotics effort as one area where it can cooperate with the US. Peru still views the insurgency threat as seen in the Sendero Luminoso (Shinning Light) as its most serious national security issue. Peruvian officials probably see more of a narcotics-insurgency linkage than the evidence actually supports.

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#### Community Reports

7. Following are comments from representatives of the narcotics intelligence community:

- o State noted that Congressional reaction to the annual certification process was not enthusiastic. State concludes that the next go-around on this issue will be much more difficult with their attempts at certification based on national security interests coming under more scrutiny.
- o Coast Guard stated that an attache to Bogota had been selected and would be leaving for the post in the fall of 1987.
- o NNBIS presented an evaluation of Hat Trick III -- the major joint interdiction effort in 86-87 -- noting that reporting from the Intelligence Community had improved both quantitatively and qualitatively.

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